

February 24, 2015

A regular meeting of the Council of the Town of Bedford, Virginia, was held in the Council Hall of the Municipal Building at 7:00 p.m., February 24, 2015.

Members present: Mayor Robert T Wandrei; Councilman Tim Black; Councilman Robert D. Carson; Councilman Stacey L. Hailey; Vice Mayor Steve C. Rush; Councilman Beckham A. Stanley; and Councilman James A. Vest

Members absent: None

Staff present: Town Manager Charles P. Kolakowski; Town Attorney W. W. Berry, IV; and Clerk of the Council Teresa W. Hatcher

Mayor Wandrei opened the meeting and led all present in saying the Pledge of Allegiance to the Flag.

Mayor Wandrei declared that the minutes of a regular Council meeting held on February 10, 2015, were approved as corrected.

Town Manager Kolakowski reported on the following:

- Expressed appreciation for the efforts done by the Public Works, utilities, and the public safety people who are employed by the Town – they did a very good job clearing the roads, the sidewalks, and responding to outages when it was zero degrees outside.

Mayor Wandrei said he thought Public Works did a commendable job clearing the streets and picking up the trash. The Mayor said Lynchburg called off trash pickup for the rest of the week.

Councilman Vest also expressed thanks for those who worked during the snow storms.

Councilman Black said that he and the Town Manager attended the Flag Raising Ceremony at the Army Reserve Center on February 21.

Councilman Stanley, Chairman of the Property Committee, said the committee met last week and discussed some proposed changes to the Wharton Gardens and a matter with Burks Hill around the D-Day Memorial.

Councilman Hailey, Chairman of the Public Safety Committee, reported the committee met last week and discussed the Police Department and more information is needed so the item was tabled.

Councilman Vest, Chairman of the Finance Committee, said the committee met earlier in the evening and projections are still on track. He said the January 2015 AMP Ohio bill was about \$737,000 less than it was January 2014.

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Mayor Wandrei added the following items to the agenda: (1) Wharton Gardens; (2) Discussion – Proposed Resolution Relating to Solid Waste – Criminal Penalties that are Imposed for Illegal Dumping at the Dump Site.

The Clerk of Council read aloud the following Public Hearing Notice:

**PUBLIC HEARING NOTICE
OF PROPOSED ELECTRIC RATE INCREASE**

Notice is hereby given that the Town Council of the Town of Bedford, Virginia, at 7:00 PM on Tuesday, February 24, 2015, will hold a public hearing at the council hall in the Town municipal building at 215 E. Main Street, Bedford, Virginia, 24523 to consider an ordinance to amend and re-enact the Town of Bedford, Virginia Electric Tariff (formerly the City of Bedford, Virginia Electric Tariff) increasing the electric rates applicable to all rate schedules by an across the board 4% increase.

The 4% increase in electric rates is authorized by the general authority granted to the Town of Bedford, Virginia, to provide electric service, to operate an electric utility, and to set rates from time to time under Section 15.2109 and Section 15.2-107 of the Code of Virginia, 1950, as amended, and under the Charter of the Town of Bedford, Virginia.

A copy of the full text of the proposed ordinance, a copy of the complete Town of Bedford Electric Tariff, including the increase as proposed, and other information concerning the documentation for the proposed increase are available for inspection by the public in the Office of the Clerk of the Town Council, Town Manager's office, 215 E. Main Street, Bedford, Virginia 24523.

By Order of the Clerk
of the Town Council

Mayor Wandrei opened the public hearing at 7:07 p.m. As there were no comments, the Mayor closed the public hearing at 7:07 p.m.

The Mayor said the next item on the agenda was Citizens Comments. He explained that Council was allowing anyone who had signed up to speak for three minutes on any subject that is within the scope and the authority of Town Council.

Mayor Wandrei said the only person who signed up to speak was Mr. Ellis.

Mr. Patrick Ellis said he was going to address Council on the issue of public funding for Bedford Main Street. Mr. Ellis spoke about the outside agencies funding requests and

how little funding they ask from tax payers. He asked why Bedford Main Street needs to rely on most of its operating budget to come from taxpayers. Mr. Ellis said it was his belief that the reason why Bedford Main Street has failed the Town is because Town Council pays the tab and this unregulated support does not require this organization to be accountable to the citizens it serves. Mr. Ellis said that with a new Main Street Board there will be new energy and new spirit. Mr. Ellis said he encourages Council to cut funding for Main Street to the five to ten percent of the budget that other organizations seem to be asking for.

Town Manager Kolakowski said as part of restructuring the financial position of the Electric Department, Town Council was presented with a proposed shortfall in the cash position of the Electric Fund for FY 2015. In order to correct the shortfall and begin to better position the Electric Department for continued service in the future and move towards a cost-of-service model, an increase in electric rates of 4% (four percent) was proposed. The increase would be effective for all tariff classes as of March 1, 2015. Mr. Kolakowski said Council was requested to adopt the ordinance approving the new electric rate tariffs effective with billings on and after March 1, 2015.

Vice Mayor Rush moved that Council adopt the ordinance approving the new electric rate tariffs effective with billings on and after March 1, 2015. The motion was seconded by Councilman Vest.

Councilman Vest said that the new rates, if Council adopts them, will for the most part be competitive with Appalachian Power Company's current rates. He stated that this does not make it any easier or any less of a burden on the Town's current electric customers. Councilman Vest said that after reviewing all of the material he did not see any alternative but to approve the motion.

Councilman Black, Chairman of the Electric Committee, spoke about the proposed electric rate increase and reviewed facts about the electric utility: the Electric Department has provided electric service to the community since 1899; it serves approximately 6,500 customers; covers a service territory of 120 square miles; maintains over 300 miles of distribution lines, as well as over 3,200 transformers; and continues to maintain this system with a total of 16 employees. Councilman Black said the electric utility is the largest enterprise fund the Town must manage and operate. There are 2 factors that are contributing to the need to increase the rates at this time: 1) the cost of purchased power, and 2) the need for capital improvements. Councilman Black said he supports the proposed rate increase; that it is important the City continues to improve and strengthen the utility for the long-term benefit of the customers and the Town; and believes the increase is a responsible first-step in ensuring the Town continues to provide reliable electric service with a reasonable rate structure.

The motion to adopt the ordinance approving the new electric rate tariffs was then voted upon and carried by the following roll call vote:

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Councilman Black	aye
Councilman Carson	aye
Councilman Hailey	nay
Vice Mayor Rush	aye
Councilman Stanley	aye
Councilman Vest	aye
Mayor Wandrei	aye

The ordinance follows as adopted:

ORDINANCE NO. 15.5

**AN ORDINANCE AMENDING THE ELECTRIC TARIFF OF THE TOWN OF
BEDFORD, VIRGINIA, TO INCLUDE A FOUR PERCENT (4%) RATE INCREASE
APPLICABLE TO ALL RATE SCHEDULES**

**BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BEDFORD,
VIRGINIA, as follows:**

Section 1. The electric tariff of the Town of Bedford is hereby amended and re-enacted to include a four percent (4%) across the board increase in electric rates applicable to all schedules.

Section 2. The new rate schedules are set forth as follows:

**SCHEDULE R.S.
(Residential Electric Service)**

AVAILABILITY OF SERVICE

Available for full domestic electric service through one meter to individual residential customers, including rural residential customers engaged principally in agricultural pursuits.

MONTHLY RATE

Customer Charge	\$13.28 per month
Energy Charge	
First 900 KWH	\$0.094577 per KWH
All Over 900 KWH	\$0.078425 per KWH

MINIMUM CHARGE

This Schedule is subject to a minimum monthly charge equal to the Customer Charge.

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PAYMENT

Bills are due upon presentation and payable at the main office, or authorized collection agencies, of the Town within twenty (20) days of the bill preparation date. A charge of 3.0% per month with a minimum penalty amount of \$5.00 per month will be applied to any account balances not received by the Town by the due date.

TERM

Annual

SPECIAL TERMS AND CONDITIONS

See Terms and Conditions of Service.

This Schedule is available to rural domestic customers engaged principally in agricultural pursuits where service is taken through one meter for residential purposes, as well as for the usual farm uses outside the home, but service under this Schedule shall not be extended to operations of a commercial nature or operations such as processing, preparing or distributing products not raised or produced on the farm, unless such operation is incidental to the usual residential and farm uses.

Normally, this Schedule is available for single-phase service only. However, at the Town's option, and subject to the Town's Terms and Conditions of Service relating to the extension of service, three-phase service may be provided to individual residences under this Schedule, when all service on such Schedule is taken through one meter and usage is for domestic or agricultural purposes. Where three-phase power service is required and/or where motors or heating equipment are used for commercial or industrial purposes, the applicable power Schedule will apply to such power service.

Issued: January 27, 2015
2015

Effective: March 1,

Issued by the Council of the Town of Bedford, Virginia

SCHEDULE S.W.S. (Sanctuary Worship Service)

AVAILABILITY OF SERVICE

Available only to the synagogue or church building in which the sanctuary or principal place of worship is located and to all educational buildings which are physically attached by enclosed corridors or hallways to the building in which the sanctuary or principal place of worship is located.

MONTHLY RATE

Customer Charge	\$13.28 per month
Energy Charge	
First 900 KWH	\$0.094577 per KWH
All Over 900 KWH	\$0.078425 per KWH

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MINIMUM CHARGE

This Schedule is subject to a minimum monthly charge equal to the Customer Charge.

PAYMENT

Bills are due upon presentation and payable at the main office, or authorized collection agencies, of the Town within twenty (20) days of the bill preparation date. A charge of 3.0% per month with a minimum penalty amount of \$5.00 per month will be applied to any account balances not received by the Town by the due date.

TERM

Annual

SPECIAL TERMS AND CONDITIONS

Auxiliary buildings of church organizations, such as classrooms, day care centers, etc., are not eligible for this rate unless such buildings, including the electrical wiring, are an integral part of and physically attached to the building in which the sanctuary is located.

See Terms and Conditions of Service.

Issued: January 27, 2015
2015

Effective: March 1,

Issues by the Council of the Town of Bedford, Virginia

SCHEDULE S.G.S. (Small General Service)

AVAILABILITY OF SERVICE

Available for small general service customers with normal maximum electrical capacity requirements of less than 300 KW per month. When a customer being served under this Schedule establishes or exceeds a normal maximum requirement of 300 KW per month, the customer will be placed on the appropriate rate Schedule.

MONTHLY RATE

Customer Charge	\$20.40 per month
Demand Charge	
All over 2.5 KW of Billing Demand	\$5.93 per KW
Energy Charge	
All Metered KWH	\$0.075308 per KWH

DETERMINATION OF BILLING DEMAND

The billing demand in KW shall be taken each month as the highest registration of a 15-minute demand meter or indicator.

Monthly billing demands of these customers shall not be less than 60% of the previous 12-month peak. Monthly billing demands will be rounded to the nearest tenth.

EQUIPMENT SUPPLIED BY CUSTOMER

When the customer owns, operates, and maintains the complete substation equipment, including any and all transformers and/or switches and/or other apparatus necessary for the customer to take his entire service at the primary voltage of the transmission or distribution line from which said customer is to receive service, a credit of \$0.30 per KW of monthly billing demand will be applied to each monthly bill.

MINIMUM CHARGE

This Schedule is subject to a minimum monthly charge equal to the customer charge, plus such additional charges as are derived from application of the demand charge, energy charge, and, if applicable, equipment credits.

PAYMENT

Bills are due upon presentation. Any amount due and not received at the main office, or authorized collection agencies, of the Town within twenty (20) days of the bill preparation date shall be subject to a delayed payment charge of 3.0% with a minimum penalty amount of \$5.00 per month.

SPECIAL TERMS AND CONDITIONS

See Terms and Conditions of Service.

The Town shall have the option of rendering bills monthly or bi-monthly.

Issued: January 27, 2015

Effective: March 1, 2015

Issued by the Council of the Town of Bedford, Virginia

SCHEDULE S.G.S.
(Small General Service - Continued)

TERM

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SPECIAL TERMS AND CONDITIONS

See Terms and Conditions of Service.

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Issued: January 27, 2015
2015

Effective: March 1,

Issued by the Council of the Town of Bedford, Virginia

**SCHEDULE L.G.S.
(Large General Service)**

AVAILABILITY OF SERVICE

Available for large general service. Customers having a capacity of 100 KW or more.

MONTHLY RATE

	Delivery Voltage	
	120 to 1000 Volts (\$)	Over 1000 Volts (\$)
Customer Charge	\$80.62/ month	\$161.23/month
Demand Charge		
All KW of Billing Demand	\$15.3474/KW	\$14.4124/KW
Reactive Demand Charge		
All KVAR of Lagging	\$0.495872/KVAR	\$0.495872/KVAR
Reactive Demand		
Energy Charge		
All Metered KWH	\$0.040576	\$0.040576

DETERMINATION OF BILLING DEMAND

The billing demand in KW shall be taken each month as the highest 15-minute peak in kilowatts as registered during the month by a demand meter or indicator. Monthly billing demand established hereunder shall not be less than 60% of the previous 12-month peak, nor less than 100 KW.

The reactive demand in KVAR shall be taken each month as the highest single 15-minute peak in KVAR as registered during the month by a KVAR meter or indicator. Billing demands shall be rounded to the nearest one KW and KVAR.

MINIMUM CHARGE

This Schedule is subject to a minimum monthly charge equal to the sum of the customer charge, demand charge, energy charge, and reactive demand charge of the monthly rate.

PAYMENT

Bills are due upon presentation. Any amount due and not received at the main office, or authorized collection agencies, of the Town within twenty (20) days of the bill preparation date shall be subject to a delayed payment charge of 3.0% with a minimum penalty amount of \$5.00 per month.

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TERM

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SPECIAL TERMS AND CONDITIONS

See Terms and Conditions of Service.

Issued: January 27, 2015

Effective: March 1, 2015

Issued by the Council of the Town of Bedford, Virginia

SCHEDULE L.C.P. (Large Capacity Power)

AVAILABILITY OF SERVICE

Available for general service delivered and measured at voltage levels which have been designed as primary distribution, subtransmission, or transmission voltages for service in the general area, but not less than 2.4 KV. Customers shall have a capacity of 1000 KW or more.

MONTHLY RATE

		Delivery Voltage	
		2.4 – 40 KV (\$)	Over 40 KV (\$)
Customer Charge		\$488.55/	month
\$1,013.99/month			
Demand Charge			
Each KW of Monthly	\$13.96/KW	\$12.52/KW	
Billing Demand			
Energy Charge			
All Billing KWH	\$0.030384/KWH	\$0.028566/KWH	
Reactive Demand Charge			
For each KVAR	\$1.090960/KVAR	\$1.090960/KVAR	
of lagging reactive			
demand in excess of 50%			
of the KW monthly billing demand			

MEASUREMENT AND DETERMINATION OF DEMAND AND ENERGY

The billing demand in KW shall be taken each month as the highest single 30-minute peak in KW as registered during the month by a demand meter or indicator, but the monthly billing demand so established shall in no event be less than 60% of the previous 12-month peak, nor less than 1,000 KW.

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The reactive demand in KVAR shall be taken each month as the highest single 30-minute peak in KVAR as registered during the month by a KVAR meter or indicator.

Billing KWH shall be metered KWH, except, when the Town elects to measure energy at the secondary side of transformers owned by the customer, billing KWH shall be metered KWH multiplied by 1.04, billing KW shall be metered KW multiplied by 1.04, billing KVAR shall be metered KVAR multiplied by 1.04.

MINIMUM CHARGE

This Schedule is subject to a minimum monthly charge equal to the sum of the customer charge, demand charge, energy charge, and reactive demand charge of the monthly rate.

SCHEDULE L.C.P. (Large Capacity Power – Continued)

PAYMENT

Bills are due upon presentation. Any amount due and not received at the main office, or authorized collection agencies, of the Town within twenty (20) days of the bill preparation date shall be subject to a delayed payment charge of 3.0 % with a minimum penalty amount of \$5.00 per month.

TERM OF CONTRACT

Annual.

SPECIAL TERMS AND CONDITIONS

See Terms and Conditions of Service.

Issued: January 27, 2015
2015

Effective: March 1,

Issued by the Council of the Town of Bedford, Virginia

SCHEDULE I-4 (Industrial Power-4)

AVAILABILITY OF SERVICE

Available for general service delivered and measured at voltage levels which have been designed as primary distribution, subtransmission, or transmission voltages for service in the general area, but not less than 2.4 KV. Customers shall have a capacity of 5,000 KW or more.

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MONTHLY RATE

Customer Charge	\$467.63/month
Facilities Charge	\$5,675.00/month
Demand Charge	
Each KW of Monthly Billing Demand	\$5.20/KW
Energy Charge	
All Billing KWH	\$0.043497/KWH
Reactive Demand Charge	
For each KVAR of lagging reactive demand in excess of 50% of the KW monthly billing demand	\$1.090960/KVAR

MEASUREMENT AND DETERMINATION OF DEMAND AND ENERGY

The billing demand in KW shall be taken each month as the highest single 30-minute peak in KW as registered during the month by a demand meter or indicator, but the monthly billing demand so established shall in no event be less than 60% of the previous 12-month peak, nor less than 1,000 KW.

The reactive demand in KVAR shall be taken each month as the highest single 30-minute peak in KVAR as registered during the month by a KVAR meter or indicator.

Billing KWH shall be metered KWH, except, when the Town elects to measure energy at the secondary side of transformers owned by the customer, billing KWH shall be metered KWH multiplied by 1.04, billing KW shall be metered KW multiplied by 1.04, and billing KVAR shall be metered KVAR multiplied by 1.04.

MINIMUM CHARGE

This Schedule is subject to a minimum monthly charge equal to \$6,143.00 USD.

FACILITIES CHARGE

As part of the MONTHLY RATE charges stated above, the Consumer shall pay monthly Facilities Charges based on the installed cost of facilities furnished by the Town and its wholesale power suppliers to render service to the Consumer hereunder.

SCHEDULE I-4 (Industrial Power-4 - Continued)

The Town's Facility Charge shall be the dollar investment in facilities provided by the Town (including net replacements) to furnish service hereunder to the Consumer times a

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monthly carrying cost factor. This factor is based upon costs estimated at the effective date shown below and may be revised by the Town in accordance with the latest cost information available, upon notice to Consumer of how any such revision is calculated. The Town's facilities shall include both specific and reasonably allocable investment amounts associated with providing service to the Consumer. In no event shall any Facility Charge exceed \$6,143 USD/month during the term of this agreement.

PAYMENT

Bills due shall be paid within 20 days of the bill preparation date at the office of the Seller for service furnished or made available during the preceding month. If the Consumer shall fail to make any such payment on or before this date, the Seller shall add a three percent (3.0%) penalty to the bill with a minimum penalty amount of \$5.00 per month.

TERM

Service hereunder shall be for a period of not less than one (1) year, and thereafter on year-to-year terms unless provided otherwise by written agreement between the Town and the Consumer.

SPECIAL TERMS AND CONDITIONS

See Agreement for Electric Services between Wheelabrator Abrasives, Inc., and the Town of Bedford, Virginia Electric Department, effective as of the date of the Agreement.

Issued: January 27, 2015

Effective: March 1, 2015

Issued by the Council of the Town of Bedford, Virginia

SCHEDULE O.L. (Outdoor Lighting)

AVAILABILITY OF SERVICE

Available for outdoor lighting to individual customers and municipal street lighting systems.

MONTHLY RATE

Overhead Lighting Service

A.	For each 175 w MV/100 w HPS	\$17.22 per month
	For each 250 w MV/150 w HPS	\$22.34 per month
	For each 400 w MV/250 w HPS	\$27.66 per month

The Town will provide lamp, photo-electric relay control equipment, luminaire and upsweep arm, and shall mount same on an existing pole. If a new pole which

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can be connected to existing secondary circuits by one span of not over 150 feet is installed by the Town at the customer's request, the customer will pay an installation charge of \$100.00.

- B. When new facilities, in addition to those specified in Paragraph A are to be installed by the Town, the customer will, in addition to the above monthly charge, pay in advance the installation cost of such additional facilities.

PAYMENT

For all Residential customers with outdoor lights, bills are due upon presentation and payable at the main office or authorized collection agencies, of the Town within twenty (20) days of the bill preparation date. A charge of 3.0% per month with a minimum penalty amount of \$5.00 per month will be applied to any account balances not received by the Town by the due date.

For all other customers with outdoor lights, bills are due upon presentation. Any amount due and not received at the main office, or authorized collection agencies of the Town, within twenty (20) days of the bill preparation date shall be subject to a delayed payment charge of 3.0% with a minimum penalty amount of \$5.00 per month.

HOURS OF LIGHTING

All lamps shall burn from one-half hour after sunset until one-half hour before sunrise, every night and all night, burning approximately 4,000 hours per annum.

OWNERSHIP OF FACILITIES

All facilities necessary for service, including fixtures, controls, poles, transformers, secondaries, lamps and other appurtenances, shall be owned and maintained by the Town. All service and necessary maintenance will be performed only during the regular scheduled working hours of the Town. The Town shall be allowed 48 hours after notification by the customer to replace all burned-out lamps.

SCHEDULE O.L. (Outdoor Lighting - Continued)

TERM OF CONTRACT

For residential or farm customers – one year.
For commercial or general service customers – three years.

Section 3. All terms of the existing tariff and rate schedules, not inconsistent with the new rate schedules, are re-enacted and shall remain in effect.

Section 4. This ordinance is effective March 1, 2015.

Mayor Wandrei said the old office building of Dr. Dennis Robinson was owned by the City of Bedford having obtained it from the Robinson estate. The property has since been sold to the Wharton Memorial Foundation. The Mayor said that in the deed certain restrictions were included. Mayor Wandrei said there is a provision that the property within the "Garden Easement" shall not be used for other purposes without the express written consent of the City of Bedford. That right has now fallen to the Town of Bedford. The Mayor stated that he had been advised that the Wharton Foundation would like to expand a deck from the back of Dr. Robinson's old building into the "Garden Easement" area and have asked Council if it would consent to that in accordance with the requirements set forth in the deed of assumption.

Councilman Stanley excused himself from any discussion and any vote on this matter as he is on the Board of Directors of the Wharton Memorial Foundation and the restaurant owner is also a client.

The Mayor explained that Town Kitchen & Provisions Restaurant wants to expand by putting up a deck to have an additional eating area.

On motion by Councilman Black, seconded by Councilman Hailey, voted upon and carried unanimously by a roll call vote, Council gave the Wharton Memorial Foundation consent to allow the expansion pursuant to the drawings. Roll call vote follows:

Councilman Carson	aye
Councilman Hailey	aye
Vice Mayor Rush	aye
Councilman Stanley	abstained
Councilman Vest	aye
Councilman Black	aye
Mayor Wandrei	aye

Mayor Wandrei stated the Town has a code section dealing with regulations regarding the solid waste container site. Council has had discussions in the past about people who have abused those containers. The Mayor said that the Town Attorney, at his request, has prepared a draft of an ordinance amending Section 46-119. Mayor Wandrei said this particular ordinance would basically follow the old ordinance but is more definitive with regards to the penalties imposed. There is a minimum penalty for a first offense of a fine not less than \$100 nor more than \$250; there is an increased penalty for a second offense and an increased penalty for a third offense. The Mayor said illegal dumping is costing the Town considerable funds.

On motion by Vice Mayor Rush, seconded by Councilman Vest, voted upon and carried unanimously by a roll call vote, Council authorized the Town Attorney to post the ordinance and provide Council with a copy of the ordinance. Roll call vote follows:

Councilman Hailey	aye
Vice Mayor Rush	aye
Councilman Stanley	aye

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Councilman Vest	aye
Councilman Black	aye
Councilman Carson	aye
Mayor Wandrei	aye

Mayor Wandrei adjourned the meeting at 7:25 p.m.